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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/626,838	07/27/2000	Alan Kay	ORB0001	9675
27510	7590	03/24/2004	EXAMINER	
KILPATRICK STOCKTON LLP 607 14TH STREET, N.W. SUITE 900 WASHINGTON, DC 20005			HAMILTON, LALITA M	
			ART UNIT	PAPER NUMBER
			3624	

DATE MAILED: 03/24/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/626,838

Applicant(s)

KAY ET AL.

Examiner

Lalita M Hamilton

Art Unit

3624

[Signature]

- The MAILING DATE of this communication appears on the cover sheet with the correspondence address -

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☐ Responsive to communication(s) filed on ____.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-86 is/are pending in the application.
- 4a) Of the above claim(s) ____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) ____ is/are allowed.
- 6) ☒ Claim(s) 1-86 is/are rejected.
- 7) ☐ Claim(s) ____ is/are objected to.
- 8) ☐ Claim(s) ____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on ____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
- ☐ Certified copies of the priority documents have been received.
 - ☐ Certified copies of the priority documents have been received in Application No. ____.
 - ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413)
Paper No(s)/Mail Date. ____. |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input checked="" type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date <u>10</u> . | 6) <input type="checkbox"/> Other: ____. |

DETAILED ACTION

Claim Rejections - 35 USC § 112

The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

Claims 1-80 are rejected for the following reasons:

In claims 1 and 41, "second member" lacks antecedent basis.

The remaining claims are rejected for their dependency upon rejected claims.

Claim Rejections - 35 USC § 102

The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in (1) an application for patent, published under section 122(b), by another filed in the United States before the invention by the applicant for patent or (2) a patent granted on an application for patent by another filed in the United States before the invention by the applicant for patent, except that an international application filed under the treaty defined in section 351(a) shall have the effects for purposes of this subsection of an application filed in the United States only if the international application designated the United States and was published under Article 21(2) of such treaty in the English language.

Claims 1-5, 8-15, 18-45, 48-55, and 58-85 are rejected under 35 U.S.C. 102(e) as being anticipated by Mandler (5,732,400).

Mandler discloses a system and method for risk based purchase of goods comprising storing trade credit value for a first user, receiving a request from the first user to transfer a pre-determined amount of the stored trade credit value to a second user in settlement of the transaction, confirming an availability of the requested amount of trade credit value stored for the first user for settlement of the transaction, transferring

Art Unit: 3624

the requested amount of trade credit value from the first user to the second user, and allowing the transferred amount of trade credit value to be used by the second member in at least one of settlement of another transaction for the second user, discounting for cash before a pre-defined maturity of the trade credit value, and holding through to the pre-defined maturity of the trade credit value (col.3, lines 30-67 and col.4, line 43 to col.5, line 17); storing the trade credit value further comprises storing the trade credit value in an operational account of the first user (col.3, lines 30-67 and col.7, line 34 to col.8, line 15); storing the trade credit value in the operational account of the first user further comprises establishing the operational account for the first user in a trade credit settlement system (col.3, lines 30-67 and col.7, line 34 to col.8, line 15); establishing the operational account for the first user further comprises allowing the first user to register for membership in the trade credit settlement system (col.3, lines 30-47); allowing the first user to register for membership in the trade credit settlement system further comprises receiving an approval of a sponsor-member of the trade credit settlement system for the first user's registration for membership (col.3, lines 30-67); storing the trade credit value further comprises storing the trade credit value in the form of a trade credit (col.3, lines 30-67); storing trade credit value in the form of the trade credit further comprises storing the trade credit as an electronic promissory obligation (col.3, lines 30-67); storing trade credit value further comprises storing the trade credit value as at least one of a divisible trade credit value, a continuously available trade credit value, a transferable trade credit value, a discountable trade credit value, a credit enhanced trade credit value, and an investment grade trade credit value (col.3, lines 30-67);

storing trade credit value further comprises storing the trade credit value as a discountable and investment grade trade credit value (col.3, lines 30-67); receiving the request further comprises receiving the request to transfer the pre-determined amount of the trade credit value from at least one of an operational account and a draw-down account of the first user to an operational account of the second user (col.3, lines 30-67); receiving the request to transfer the pre-determined amount of the trace credit value from the operational account of the first user further comprises establishing the operational account for the first user in a trade credit settlement system (col.3, lines 30-67); establishing the settlement system of a request by the first user for the draw-down account (col.3, lines 30-67); allowing the first user to register for membership further comprises receiving an approval of a sponsor-member of the trade credit settlement system for the first user's registration for membership (col.3, lines 30-67); receiving the request to transfer the pre-determined amount of the trade credit value from the draw-down account of the first user further comprises establishing the draw-down account for the first user (col.3, lines 30-67); establishing the draw-down account for the first user further comprises allowing the first user to register for membership in a trade credit settlement system (col.3, lines 30-67); establishing the draw-down account for the fast user further comprises receiving an approval of a sponsor-member of the trade credit settlement system of a request by the first user for the draw-down account (col.3, lines 30-67); confirming the availability further comprises confirming the availability of the requested amount of trade credit value in at least one of an operational account and a draw-down account of the first user (col.3, lines 30-67); confirming the availability of the

requested amount of trade credit value in the operational account further comprises establishing the operational account for the first user in a trade credit settlement system (col.3, lines 30-67); establishing the operational account for the first user further comprises allowing the first user to register for membership in the trade credit settlement system (col.3, lines 30-67); confirming the availability further comprises confirming the availability of the requested amount of trade credit value in the operational account of the first user and, if required and available, in the draw-down account of the first user (col.3, lines 30-67); confirming the availability of the requested amount of trade credit value in the draw-down account further comprises establishing the draw-down account for the first user (col.3, lines 30-67 and col.7, line 39 to col.8, line 15); establishing the draw-down account for the first user further comprises allowing the first user to register for membership in a trade credit settlement system (col.3, lines 30-67); establishing the draw-down account for the first user further comprises receiving an approval of a sponsor-member of the trade credit (col.3, lines 30-67); transferring the requested amount of trade credit value further comprises transferring the requested amount of trade credit value from at least one of an operational account of the first user and a draw-down account of the first user to an operational account of the second user (col.3, lines 30-67); transferring the requested amount of trade credit value further comprises transferring the requested amount of trade credit value from the operational account of the first user and, if required and available, from the draw-down account of the first user, to the operational account of the second user (col.3, lines 30-67 and col.7, line 39 to col.8, line 15); transferring the requested amount of trade credit value from the

Art Unit: 3624

operational account of the first user further comprises issuing the requested amount of trade credit value to the operational account of the second user and canceling trade credit value in the operational account of the first user having a present value equal to a present value of the issued trade credit value (col.3, lines 30-67 and col.15, line 48 to col.16, line 15); transferring the requested amount of trade credit value to the operational account of the second user further comprises establishing the operational account for the second user in a trade credit settlement system (col.3, lines 30-67); establishing the operational account for the second user further comprises allowing the second user to register for membership in the trade credit settlement system (col.3, lines 30-67-it is inherent that the user will be registered as a seller in order to have the clearinghouse provide information to them from the buyer seeking goods and services); transferring the requested amount of trade credit value from the draw-down account of the first user further comprises issuing the requested amount of trade credit value to the operational account of the first user and issuing an offsetting amount of trade credit value to the operational account of the second user (col.3, lines 30-67 and col.15, line 47 to col.16, line 15); transferring the requested amount of trade credit value further comprises transferring the requested amount of trade credit value in the form of a trade credit (col.3, lines 30-67 and col.15, line 47 to col.16, line 15); transferring the requested amount of trade credit value in the form of the trade credit further comprises transferring the trade credit as an electronic promissory obligation (col.3, lines 30-67 and col.15, line 47 to col.16, line 15); transferring the requested amount of trade credit value further comprises transferring the trade credit value as at least one of a divisible trade credit

Art Unit: 3624

value, a continuously available trade credit value, a transferable trade credit value, a discountable trade credit value, a credit enhanced trade credit value, and an investment grade trade credit value (col.3, lines 30-67); transferring the requested amount of trade credit value further comprises transferring the trade credit value which is a discountable and investment grade trade credit value (col.3, lines 30-67); allowing the transferred amount of trade credit value to be used by the second member in settlement of another transaction for the second user further comprises allowing the second user to liquidate the trade credit value to a credit on the second user's account (col.3, lines 30-67); allowing the transferred amount of trade credit value to be used by the second member in discounting for cash before a pre-defined maturity of the trade credit value further comprises allowing the second user to liquidate the trade credit value for cash at a pre-determined discount rate prior to the pre-defined maturity (col.3, lines 30-67—it is inherent that the seller may obtain cash for the trade credit value for goods or services received by the buyer in order to allow the seller to use funds for other endeavors within the company); and allowing the transferred amount of trade credit value to be used by the second member in holding through to the pre-defined maturity of the trade credit value further comprises debiting a pre-designated account of the first user for the balance due on the trade credit value at the pre-defined maturity (col.3, lines 30-67 and col.15, line 47 to col.16, line 15).

Mandler discloses a system and means comprising storing trade credit value for a first user, receiving a request from the first user to transfer a pre-determined amount of the stored trade credit value to a second user in settlement of the transaction,

Art Unit: 3624

confirming an availability of the requested amount of trade credit value stored for the first user for settlement of the transaction, transferring the requested amount of trade credit value from the first user to the second user, and allowing the transferred amount of trade credit value to be used by the second member in at least one of settlement of another transaction for the second user, discounting for cash before a pre-defined maturity of the trade credit value, and holding through to the pre-defined maturity of the trade credit value (col.3, lines 30-67 and col.4, line 43 to col.5, line 17); storing the trade credit value further comprises storing the trade credit value in an operational account of the first user (col.3, lines 30-67 and col.7, line 34 to col.8, line 15); storing the trade credit value in the operational account of the first user further comprises establishing the operational account for the first user in a trade credit settlement system (col.3, lines 30-67 and col.7, line 34 to col.8, line 15); establishing the operational account for the first user further comprises allowing the first user to register for membership in the trade credit settlement system (col.3, lines 30-47); allowing the first user to register for membership in the trade credit settlement system further comprises receiving an approval of a sponsor-member of the trade credit settlement system for the first user's registration for membership (col.3, lines 30-67); storing the trade credit value further comprises storing the trade credit value in the form of a trade credit (col.3, lines 30-67); storing trade credit value in the form of the trade credit further comprises storing the trade credit as an electronic promissory obligation (col.3, lines 30-67); storing trade credit value further comprises storing the trade credit value as at least one of a divisible trade credit value, a continuously available trade credit value, a transferable trade credit

Art Unit: 3624

value, a discountable trade credit value, a credit enhanced trade credit value, and an investment grade trade credit value (col.3, lines 30-67); storing trade credit value further comprises storing the trade credit value as a discountable and investment grade trade credit value (col.3, lines 30-67); receiving the request further comprises receiving the request to transfer the pre-determined amount of the trade credit value from at least one of an operational account and a draw-down account of the first user to an operational account of the second user (col.3, lines 30-67); receiving the request to transfer the pre-determined amount of the trade credit value from the operational account of the first user further comprises establishing the operational account for the first user in a trade credit settlement system (col.3, lines 30-67); establishing the settlement system of a request by the first user for the draw-down account (col.3, lines 30-67); allowing the first user to register for membership further comprises receiving an approval of a sponsor-member of the trade credit settlement system for the first user's registration for membership (col.3, lines 30-67); receiving the request to transfer the pre-determined amount of the trade credit value from the draw-down account of the first user further comprises establishing the draw-down account for the first user (col.3, lines 30-67); establishing the draw-down account for the first user further comprises allowing the first user to register for membership in a trade credit settlement system (col.3, lines 30-67); establishing the draw-down account for the first user further comprises receiving an approval of a sponsor-member of the trade credit settlement system of a request by the first user for the draw-down account (col.3, lines 30-67); confirming the availability further comprises confirming the availability of the requested amount of trade credit

Art Unit: 3624

value in at least one of an operational account and a draw-down account of the first user (col.3, lines 30-67); confirming the availability of the requested amount of trade credit value in the operational account further comprises establishing the operational account for the first user in a trade credit settlement system (col.3, lines 30-67); establishing the operational account for the first user further comprises allowing the first user to register for membership in the trade credit settlement system (col.3, lines 30-67); confirming the availability further comprises confirming the availability of the requested amount of trade credit value in the operational account of the first user and, if required and available, in the draw-down account of the first user (col.3, lines 30-67); confirming the availability of the requested amount of trade credit value in the draw-down account further comprises establishing the draw-down account for the first user (col.3, lines 30-67 and col.7, line 39 to col.8, line 15); establishing the draw-down account for the first user further comprises allowing the first user to register for membership in a trade credit settlement system (col.3, lines 30-67); establishing the draw-down account for the first user further comprises receiving an approval of a sponsor-member of the trade credit (col.3, lines 30-67); transferring the requested amount of trade credit value further comprises transferring the requested amount of trade credit value from at least one of an operational account of the first user and a draw-down account of the first user to an operational account of the second user (col.3, lines 30-67); transferring the requested amount of trade credit value further comprises transferring the requested amount of trade credit value from the operational account of the first user and, if required and available, from the draw-down account of the first user,

Art Unit: 3624

to the operational account of the second user (col.3, lines 30-67 and col.7, line 39 to col.8, line 15); transferring the requested amount of trade credit value from the operational account of the first user further comprises issuing the requested amount of trade credit value to the operational account of the second user and canceling trade credit value in the operational account of the first user having a present value equal to a present value of the issued trade credit value (col.3, lines 30-67 and col.15, line 48 to col.16, line 15); transferring the requested amount of trade credit value to the operational account of the second user further comprises establishing the operational account for the second user in a trade credit settlement system (col.3, lines 30-67); establishing the operational account for the second user further comprises allowing the second user to register for membership in the trade credit settlement system (col.3, lines 30-67-it is inherent that the user will be registered as a seller in order to have the clearinghouse provide information to them from the buyer seeking goods and services); transferring the requested amount of trade credit value from the draw-down account of the first user further comprises issuing the requested amount of trade credit value to the operational account of the first user and issuing an offsetting amount of trade credit value to the operational account of the second user (col.3, lines 30-67 and col.15, line 47 to col.16, line 15); transferring the requested amount of trade credit value further comprises transferring the requested amount of trade credit value in the form of a trade credit (col.3, lines 30-67 and col.15, line 47 to col.16, line 15); transferring the requested amount of trade credit value in the form of the trade credit further comprises transferring the trade credit as an electronic promissory obligation (col.3, lines 30-67 and col.15, line

Art Unit: 3624

47 to col.16, line 15); transferring the requested amount of trade credit value further comprises transferring the trade credit value as at least one of a divisible trade credit value, a continuously available trade credit value, a transferable trade credit value, a discountable trade credit value, a credit enhanced trade credit value, and an investment grade trade credit value (col.3, lines 30-67); transferring the requested amount of trade credit value further comprises transferring the trade credit value which is a discountable and investment grade trade credit value (col.3, lines 30-67); allowing the transferred amount of trade credit value to be used by the second member in settlement of another transaction for the second user further comprises allowing the second user to liquidate the trade credit value to a credit on the second user's account (col.3, lines 30-67); allowing the transferred amount of trade credit value to be used by the second member in discounting for cash before a pre-defined maturity of the trade credit value further comprises allowing the second user to liquidate the trade credit value for cash at a pre-determined discount rate prior to the pre-defined maturity (col.3, lines 30-67—it is inherent that the seller may obtain cash for the trade credit value for goods or services received by the buyer in order to allow the seller to use funds for other endeavors within the company); and allowing the transferred amount of trade credit value to be used by the second member in holding through to the pre-defined maturity of the trade credit value further comprises debiting a pre-designated account of the first user for the balance due on the trade credit value at the pre-defined maturity (col.3, lines 30-67 and col.15, line 47 to col.16, line 15).

Mandler discloses a financing and payment method comprising incorporating a

Art Unit: 3624

new use of at least one trade credit, which is utilized by a Buyer, a Seller, and a Financial Intermediary (col.3, lines 30-67); concluding a membership agreement by the Buyer, the Seller, and the Financial Intermediary, which defines rights and obligations of each party to the other that include the use of at least one trade credit, entering an agreement by the Buyer for a transaction with the Seller, optionally modifying the transaction agreement to extend payment terms of the transaction agreement through negotiation between the Buyer and the Seller, issuing a trade credit to the Seller in payment of the transaction, the trade credit having payment terms according to one of the transaction agreement and the modification of the transaction agreement and simultaneously accepting an obligation by the Buyer to pay an amount equal to the transaction payment, and allowing the Seller to realize payment of the trade credit by one of presenting the trade credit for immediate payment of its face amount, less a discount amount, and receiving the face value of the trade credit at maturity (col.3, lines 30-67; col.7, line 39 to col.8, line 15; col.17, lines 1-12; and fig.5A-all); simultaneously accepting an obligation by the Buyer to pay an amount equal to the transaction payment further comprises simultaneously accepting an obligation by the Buyer to pay an amount equal to the transaction payment plus a cost to the Buyer determined by a credit-worthiness of the Buyer (col.3, lines 30-67); allowing the Seller to realize payment of the trade credit by presenting the trade credit for immediate payment of its face amount, less a discount amount, further comprises allowing the Seller to realize payment of the trade credit by presenting the trade credit for immediate payment of its face amount, less a discount amount based on an investment grade rating of the trade

Art Unit: 3624

credit (col.3, lines 30-67 and col.7, line 39 to col.8, line 15); the Financial Intermediary provides an Active and a Reserve for the Buyer, the Active Account showing current trade credits receivable, as well as transaction details and history, including fees and charges, and the Reserve Account showing current trade credits payable, as well as credit available to be issued, and transaction details and history, including fees and charges (col.3, lines 30-67; col.7, line 39 to col.8, line 15; and fig.5A-all); and the Financial Intermediary provides an Active and a Reserve Account for the Seller, the Active Account showing current trade credits receivable, as well as transaction details and history, including fees and charges, and the Reserve Account showing current trade credits payable, as well as credit available to be issued, and transaction details and history, including fees and charges (col.3, lines 30-67 and col.7, line 39 to col.8, line 15—it is inherent that the seller will be able to review their account history to ensure that all transactions are accurate).

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Claims 6-7, 16-17, 46-47, 56-57, and 86 are rejected under 35 U.S.C. 103(a) as being unpatentable over Mandler in view of Conklin (6,338,050).

Mandler discloses the invention substantially as claimed; however, Mandler does not disclose allowing the sponsor-member to register for sponsor-membership in the

Art Unit: 3624

trade credit settlement system; recognizing the sponsor-member as a valid trading entity by the trade credit settlement system; or a Sponsor, as a further intermediary. Conklin teaches a system and method for a negotiations system where sponsors create and administer a community between participant such as a buyer and seller (see abstract) comprising allowing the sponsor-member to register for sponsor-membership in the trade credit settlement system (col.28, lines 25-65); recognizing the sponsor-member as a valid trading entity (col.28, lines 25-65); and a Sponsor, as a further intermediary (col.28, lines 25-65). It would have been obvious to one having ordinary skill in the art at the time the invention was made to incorporate allowing the sponsor-member to register for sponsor-membership in the trade credit settlement system; recognizing the sponsor-member as a valid trading entity by the trade credit settlement system; and a Sponsor, as a further intermediary, as taught by Conklin into the system and method disclosed by Mandler, to allow any qualified sponsor to register for the opportunity to mediate and to interact in trading between the buyers and sellers.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Lalita M Hamilton whose telephone number is (703) 306-5715. The examiner can normally be reached on Tuesday-Thursday (8:30-4:30).

The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Art Unit: 3624

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



LMH



**VINCENT MILLIN
SUPERVISORY PATENT EXAMINER
TECHNOLOGY CENTER 3600**